

Exhibit 600 [replacing Dkt. #2557-80] attached to Consolidated Reply Memorandum in Further Support of Plaintiffs' Motions for Partial Summary Adjudication with Respect to the Controlled Substances Act at Dkt. #2545.

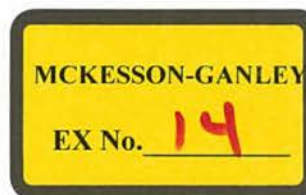
- Redactions withdrawn by Defendant

DSJ1&2-PR Exh 600

P1.1490

SGAC Annual Meeting

November 12-13, 2014



MCKMDL00407771

HDMA State Government Affairs Capabilities

Prepared for
HDMA Executive Committee
Expense Working Group
05/13/14

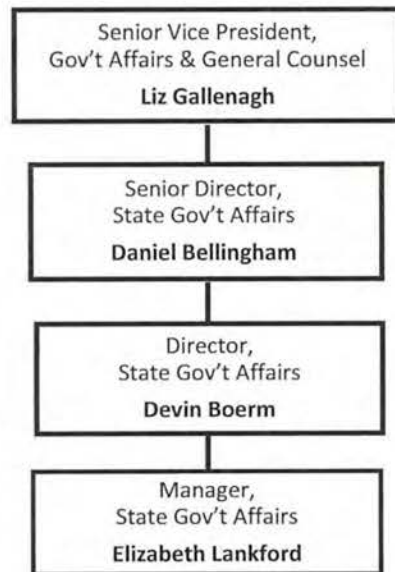
State Government Affairs Challenges

- Monitoring 50 State Legislatures + 50 Boards of Pharmacy (or relevant regulatory authority)
- Expedited legislative sessions
- Scope of issues vary significantly and are very difficult to predict in advance
- Cultivating allies as need to address threats
- Educating legislators (industry/issues)

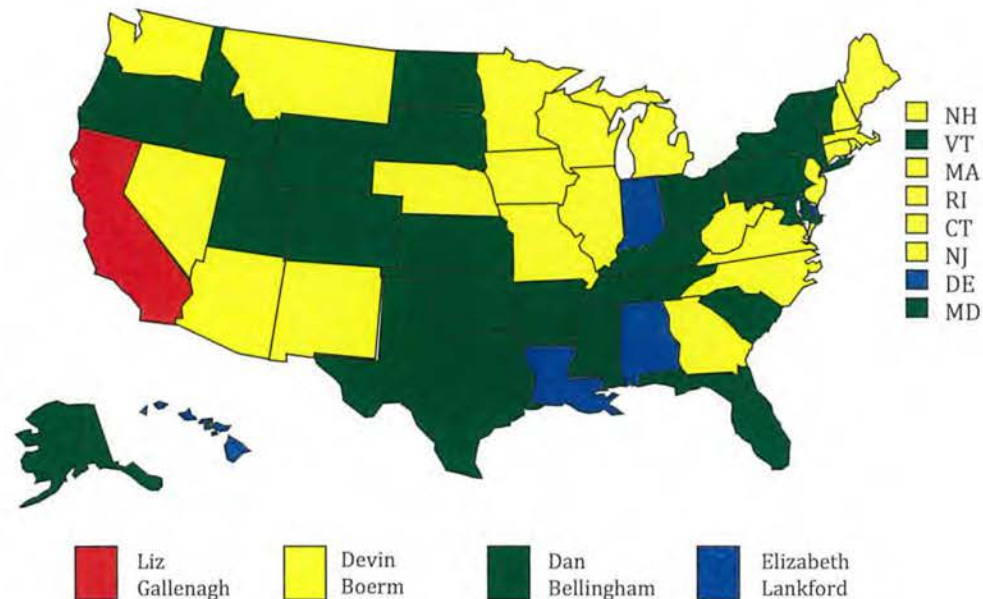
Challenges on Horizon

- State efforts to address, reduce, prevent Rx abuse and diversion
- Product stewardship initiatives – State and municipal
- Changes to state licensure regulations due to DSCSA implementation
- Tax policy changes

HDMA State Government Affairs Dept.- Current

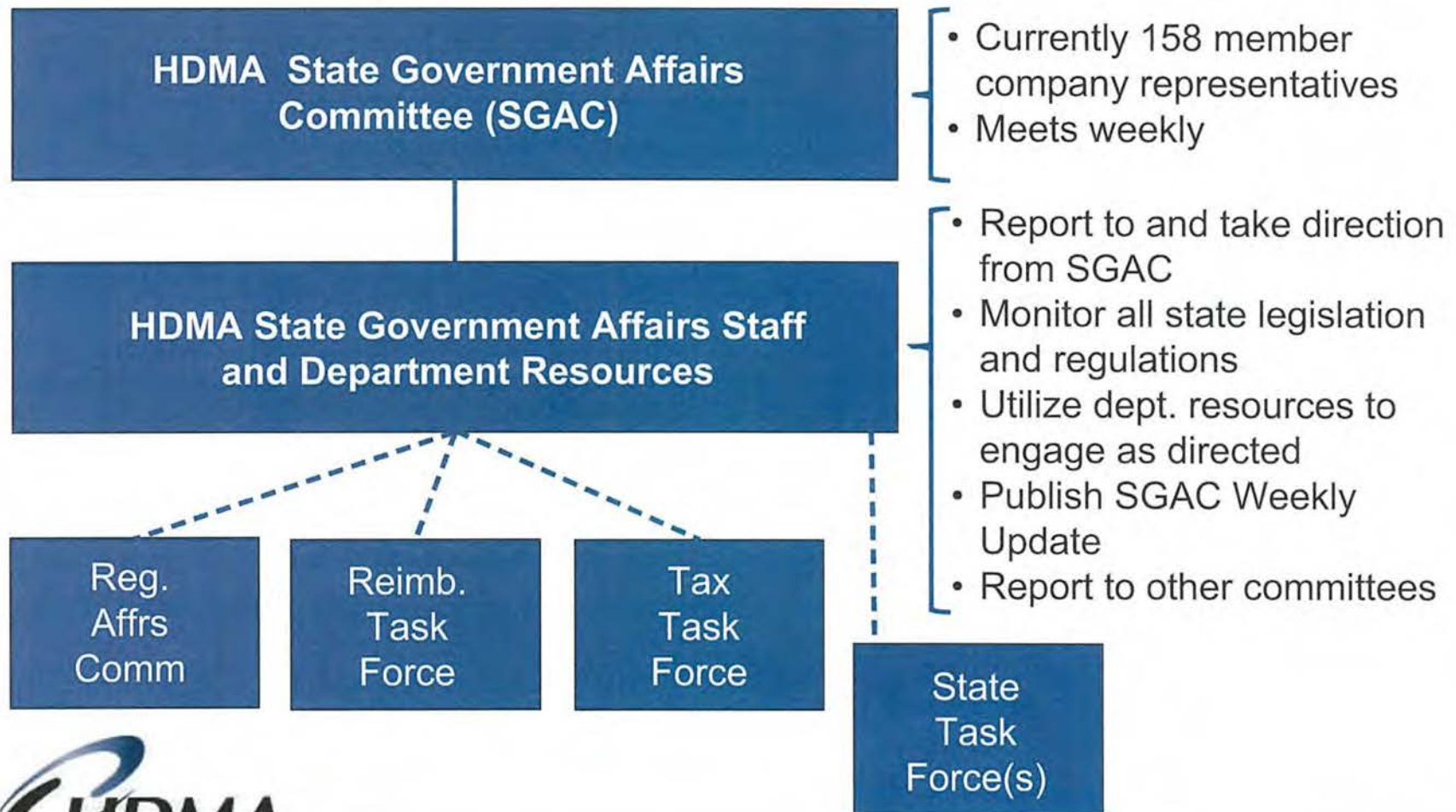


Total SGA Budget 2014: **\$883,889 ***
 Dedicated SGA Staff: **4**
 Budget for Contract Lobbyists: **\$235,400**
 States with Contract lobbyists: **4**



(*) Includes all salaries and operating expenses (minus overhead allocations)
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State Government Affair Committee



HDMA Dashboard Priorities for SGA - 2014

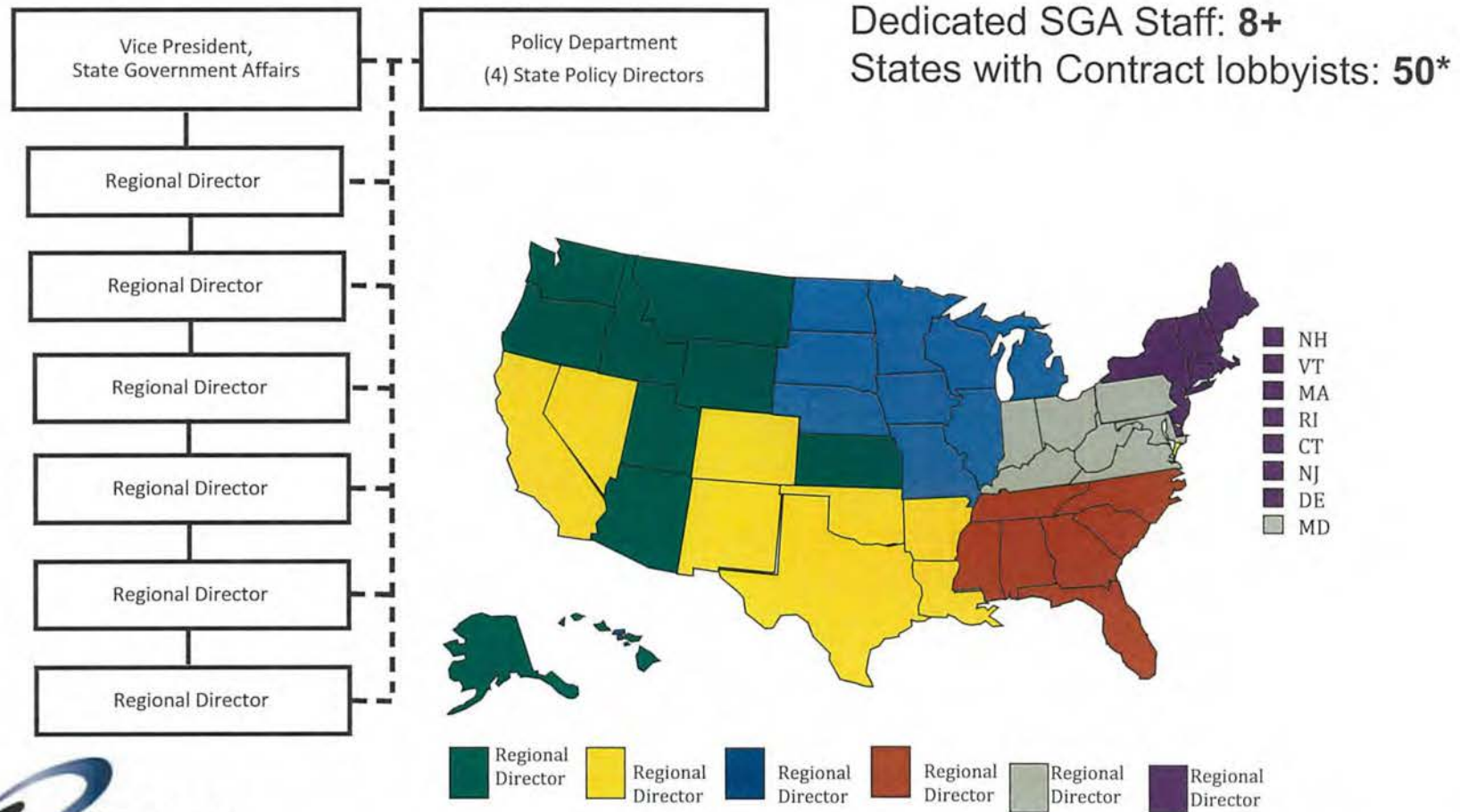
Initiative	Status							
	FGA	SGA	Reg	IR	PA	Cntr	Edu	SBDC
A Priorities								
340B Issues	2			2				2
Biotechnology / Specialty				1	1	1	1	1
Controlled Substance Issues	1	1	1	2	1		2	
Distributor Licensing / Accreditation	1 2	1	1		1			
Drug Shortages / Product Availability	1	2	2	2	1		1	1
Generic Drugs: Issues	2	2		2	2	2		
Healthcare Standards (Serialization, etc.)			1	1	2	2	1	
Importation / Import Safety	1	2			1			
Supply Chain Security	2	1	2	1	1	1	1	
Marketing and Gift Restrictions		2	1					
Medicaid: AMP / RSP / AAC / WAC	1 2	2	1		1		1	1
Medicare: Part B ASP (Prompt pay/CAP)	1		2		2			1
Traceability Requirements	1	1	2 1	1	1	1	1	1
Pseudoephedrine / Dextromethorphan	2	1						
Rx Waste / Disposal / Take-Back	2	1	1	2		1	1	
Tax Issues (Gross Receipts and LIFO)	1	1			1			
Wholesaler Price Reporting		1	2					
B Priorities								
Cold Chain Best Practices			2	1		2	1	2
Conditions for Safe Use			2					
Contract Administration				1			1	
Counterfeiting Alert Network (CAN)			2		1			
DOT Issues			1					
EDI Guideline Updates				1			1	
Emergency Preparedness / Pandemic Influenza	2	2	2	1	2		2	
Health, Beauty & Wellness				1	2		2	
NDC Rule (Repackaging/Relabeling)			2		2			
Non-Approved Drugs			1					
PBM Transparency	2	2						
Returned Goods		1	1	1	2	1	1	
Risk Eval Mitigation Strategies (REMS)	2		2	1	2	1	2	
Role of Distributor Study					1	1		
Seasonal Influenza	2	2	2	2	2			



State Government Affairs (SGA) currently has the highest number of active Priority A-1 issues on the HDMA Dashboard 7

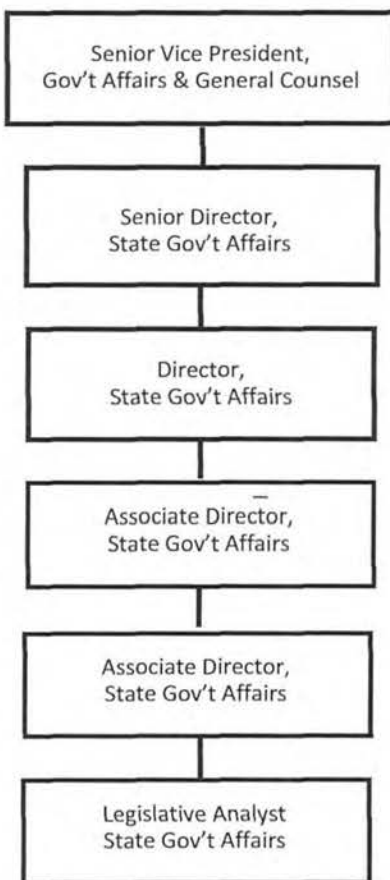
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Colleague Organizations (NACDS)

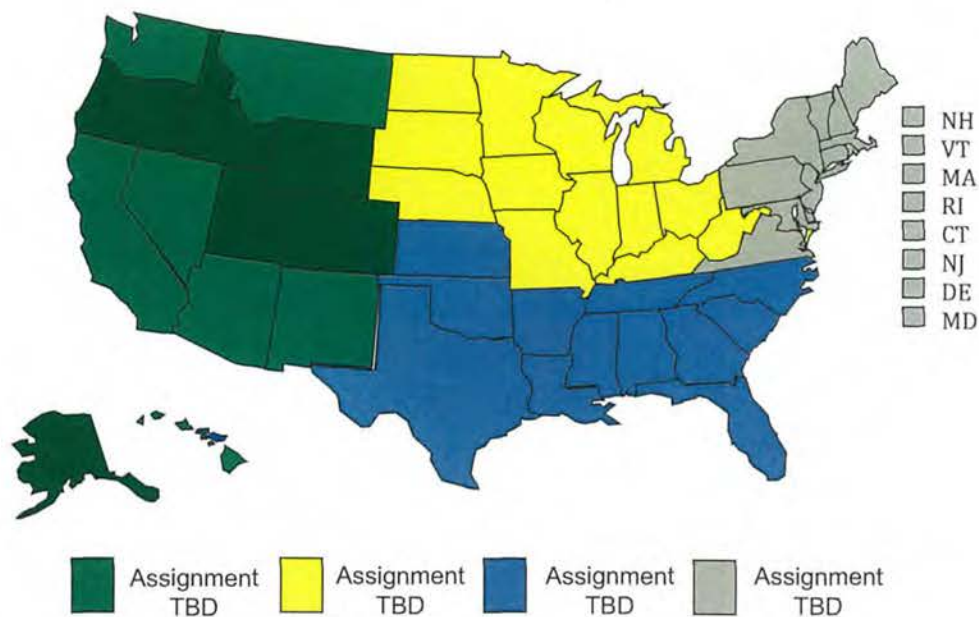


(*) Includes NACDS contract lobbyists and/or State Pharmacy Association contract lobbyists
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HDMA State Government Affairs – Expanded



Dedicated SGA Staff: **6 (+2 FTE ~\$215,000)**
Budget for Contract Lobbyists: **\$500,000 (+\$250K)**



Dashboard

Initiative	Status						
	FGA	SGA	Reg	IR	PA	CHSCR	Edu
<i>APriorities</i>							
340B Issues	2			2		1	
Biotechnology / Specialty				1	1	1	1
Controlled Substance Issues	1	1	1	2	1		2
Distributor Licensing / Accreditation	2	1	1		1		
Drug Shortages / Product Availability	1	2	2	2	1	1	1
Generic Drugs: Issues	2	2		2	2	1	
Healthcare Standards (Serialization, etc.)			1	1	2	2	1
Importation / Import Safety	1	2			1	1	
Supply Chain Security	2	1	2	1	1	1	1
Marketing and Gift Restrictions		2	1				
Medicaid: AMP / RSP / AAC / WAC	2	2	1		1	2	1
Medicare: Part B ASP (Prompt pay/CAP)	1		2		2		
Traceability Requirements	1	1	1	1	1	2	1
Pseudoephedrine / Dextromethorphan	2	1					
Rx Waste / Disposal / Take-Back	2	1	1	2		2	1
Tax Issues (Gross Receipts and LIFO)	1	1			1		
Wholesaler Price Reporting		1	2				

Dashboard

Initiative	Status						
	FGA	SGA	Reg	IR	PA	CHSCR	Edu
B Priorities							
Cold Chain Best Practices			2	1		2	1
Conditions for Safe Use			2				
Contract Administration				1			1
Counterfeiting Alert Network (CAN)			2		1		
DOT Issues			1				
EDI Guideline Updates				1			1
Emergency Preparedness / Pandemic Influenza	2	2	2	1	2		2
Health, Beauty & Wellness				1	2		2
NDC Rule (Repackaging/Relabeling)			2		2		
Non-Approved Drugs			1				
PBM Transparency	2	2				2	
Returned Goods		1	1	1	2	1	1
Risk Eval Mitigation Strategies (REMS)	2		2	1	2	1	2
Role of Distributor Study					1	1	
Seasonal Influenza	2	2	2	2	2		

Dashboard

Initiative	Status						
	FGA	SGA	Reg	IR	PA	Cntr	Edu
C Priorities							
Bar Code Rule			2				
Future of Healthcare Study						2	
Health IT	2		2		2	2	
Internet Pharmacy	2		2				
Labor / Card Check	2		2				
Patient Privacy/HIPAA	2	2	2		2		
Long Term Consideration							
	Date Added			Notes			
Consolidation	4/6/2007						
Future of Pharmacy (Pharmacy 2020)	4/6/2007						
Health IT	4/6/2007						
International Distribution	4/6/2007						
Risk Management	4/6/2007						
Sustainability/Corporate Social Responsibility	8/10/2007						
Vertical Integration	4/6/2007						



Healthcare Distribution
Management Association

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Priority States

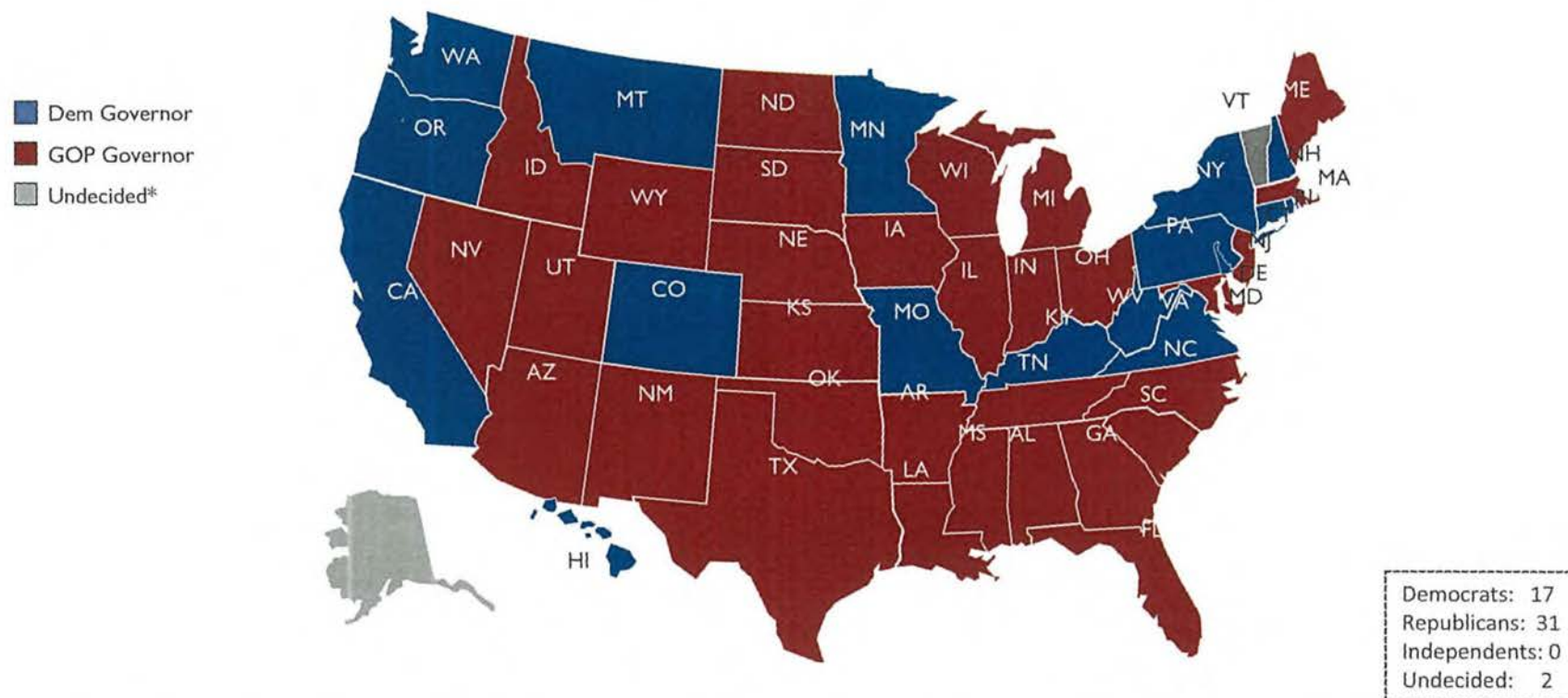
- Michigan
- Maryland
- Virginia
- California
- Tennessee
- Florida
- Texas

Priority Issues

- Prescription Drug Abuse
- Michigan PIC Legislation
- DSCSA Implementation
- Gross Receipts Tax
- Controlled Substances Sales Reporting
- Suspicious Orders Reporting
- Disposal

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Governors Post-Election

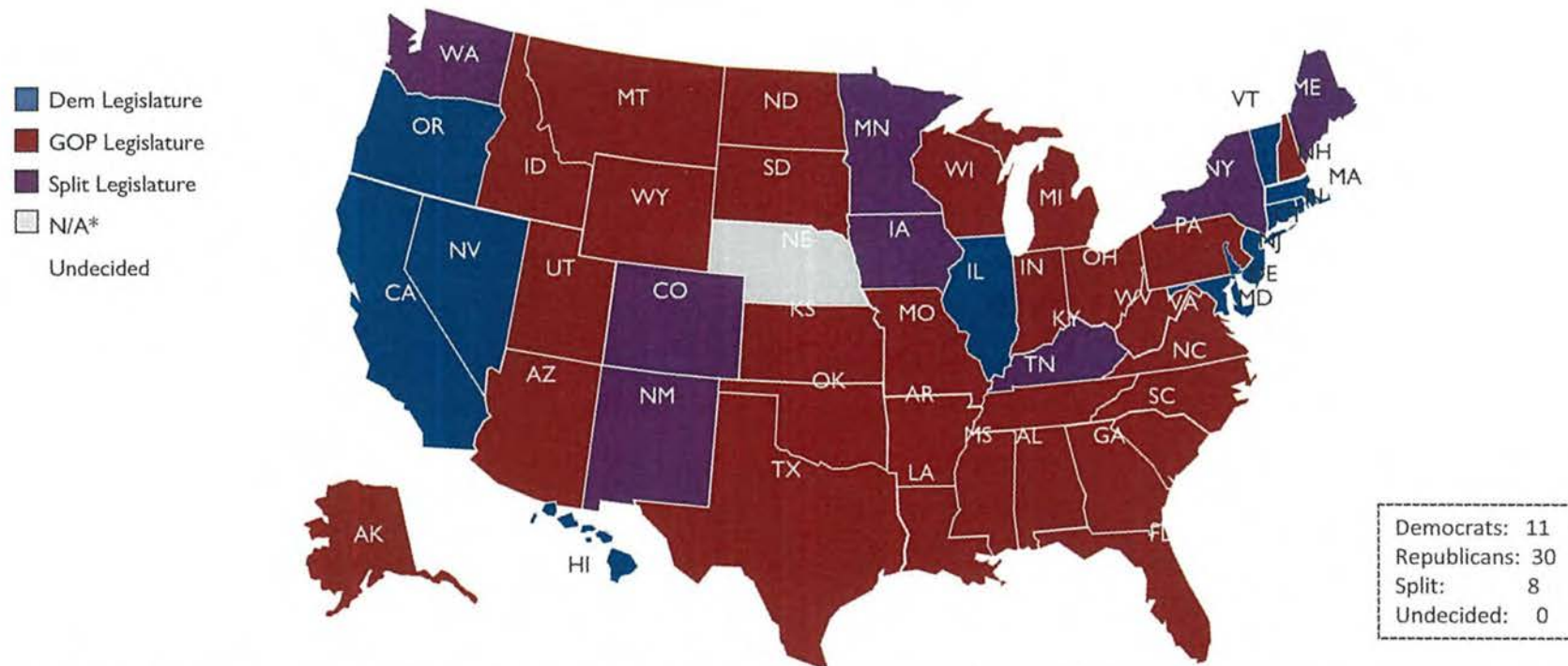


Analysis

- Post-election gubernatorial breakdown: 31 Republican; 18 Democrat (VT expected to confirm D); 1 Undecided (AK)
- Rs gained Arkansas, Illinois, Maryland, and Massachusetts added

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State Legislatures



Analysis

- Post-election chamber control, 67 Republican; 29 Democrats; 1 tie; 1 unicameral
- Democrats lost majority control of state legislatures in Minnesota, Maine, Washington, New Mexico, and Colorado
- Republicans gained majority control of state legislatures in New Hampshire, Virginia, and West Virginia

Attorneys General

- Post-election AG Control: 27 Republican; 21 Democrat; 2 unknown
- Arkansas and Nevada changed party control due to open seats

State Party Control

- Post-election State Party Control:
23 Republican; 7 Democrat; 18
Split; 1 Undecided